

EXHIBIT 12

Confidential - Francis Pearn

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2 UNITED STATES DISTRICT COURT FOR THE
3 SOUTHERN DISTRICT OF NEW YORK

4
5 Case No. 1:22-cv-10019 (JSR)
- - - - -X

6 JANE DOE 1, Individually :
and on behalf of all others :
7 similarly situated, :
Plaintiffs :

8 :
VS :

9 :
JPMORGAN CHASE BANK, N.A., :
10 Defendant :

- - - - -X

11 Case No. 1:22-cv-10904 (JSR)
- - - - -X

12 GOVERNMENT OF THE UNITED STATES :
VIRGIN ISLANDS :
13 Plaintiffs :

14 VS :

15 JPMORGAN CHASE BANK, N.A., :
Defendant :

16 - - - - -X

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CONFIDENTIAL

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19 Videotaped deposition of
FRANCIS PEARNS taken at the offices of
20 Boies Schiller Flexner LLP, 55 Hudson
Yards, New York, New York 10001, before
21 Clifford Edwards, Certified Shorthand
Reporter, and Notary Public in and for the
22 State of New York, on March 29, 2023, at
9:47 a.m. EDT.

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2 BY MS. BOGGS:

3 Q I'm handing you a document marked
4 Exhibit 14. You can take a minute to look at it.

5 Are you familiar with Exhibit 14?

6 A I am not.

7 Q I'm going to represent to you that this
8 is a well-known article published about
9 Mr. Epstein in March 2003 called "The Talented
10 Mr. Epstein."

11 MR. BUTTS: I'll -- I'll object to
12 that, but it's an article.

13 BY MS. BOGGS:

14 Q JPMorgan was aware of this article;
15 correct?

16 MR. BUTTS: Objection.

17 You may answer as a 30(b)(1)
18 witness, if you know.

19 A I -- I don't know if it was or not.

20 (Whereupon, Exhibit No. 15, E-mail,
21 Bates-Stamped JPM-SDNYLIT-00137281,
22 was marked for identification.)

23 BY MS. BOGGS:

24 Q Handing you a document marked
25 Exhibit 15, are you familiar with Exhibit 15?

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2 A I believe I've seen this document
3 before.

4 Q Did you see it in preparation for
5 today's deposition?

6 A Yes.

7 Q And do you know what the Vanity Fair
8 article is that's being referenced here?

9 Sorry, I can back up. So --

10 A Yup.

11 Q Yes?

12 A I see it.

13 Q So this is an e-mail from Mary Rieth
14 and I believe her name is now Mary Casey.

15 Do you know Ms. Rieth or Casey?

16 A I do not.

17 Q Okay. Do you know of her?

18 A Yes.

19 Q Okay. So do you agree that Mary Rieth
20 and Mary Casey are the same person?

21 A I don't know that.

22 Q Oh, okay. I -- I believe Ms. Rieth is
23 now Mary Casey, but you don't have to trust me on
24 that.

25 A That's okay.

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2 Q So this is an e-mail from Ms. Rieth to
3 Paul Lahiff, and it's -- the subject is, "Your
4 question on financial trust," and the date is
5 May 21st, 2003.

6 The e-mail states, "Just got the DDR
7 back this morning. Will have it approved by the
8 afternoon. I was waiting to pull everything
9 together before sending down Vanity Fair article
10 so you'll get everything at once."

11 Do you see that?

12 A I do.

13 Q Are you aware that Financial Trust is
14 Jeffrey Epstein's company?

15 A I do know that.

16 Q Okay. So there's a reference to the
17 Vanity Fair article.

18 And if we'll switch back to Exhibit 14,
19 this is a Vanity Fair article and it came out
20 two months before the e-mail that we just looked
21 at.

22 So I'm going to direct you to a couple
23 of sections of this article.

24 So if we look at page five, the first
25 paragraph beginning with the big letter A,

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2 "According to SEC."

3 Do you see that?

4 A Yes.

5 Q "According to the SEC and other legal
6 documents unearthed by Vanity Fair, Epstein may
7 have good reason to keep his past cloaked in
8 secrecy. His real mentor it might seem was not
9 Leslie Wexner but Steven Jude Hoffenberg, 57, who
10 for a few months before the SEC sued to freeze
11 his assets in 1993 was trying to buy The New York
12 Post. He is currently incarcerated in the
13 Federal Medical Center in Devens, Massachusetts
14 serving a 20-year sentence for bilking investors
15 out of more than 450 million in one of the
16 largest Ponzi schemes in American history."

17 Do you see that?

18 A Yes.

19 Q Does that ring any bells for you about
20 Towers Financial?

21 A It does not.

22 Q Okay. And do you know who Steven
23 Hoffenberg is?

24 MR. BUTTS: You may answer as a
25 30(b)(1) witness.

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2 A No, I don't.

3 BY MS. BOGGS:

4 Q Okay. The next paragraph states, "When
5 Epstein met Hoffenberg in London in the 1980s,
6 the latter was the charismatic, audacious head of
7 the Towers Financial Corporation, a collection
8 agency that was supposed to buy debts that people
9 owed to hospitals, banks, and phone companies."

10 Do you see that?

11 A Yes.

12 Q Does that refresh your memory at all
13 about Towers Financial?

14 MR. BUTTS: Same objection and
15 limitation.

16 A No, it doesn't.

17 BY MS. BOGGS:

18 Q Let's skip to the sixth paragraph down
19 in that section, it begins "In 1987."

20 "In 1987, Hoffenberg, according to
21 sources, set Epstein up in the offices he still
22 occupies in the Villard House on Madison Avenue
23 across the courtyard from the restaurant Le
24 Cirque. Hoffenberg hired his new protege as a
25 consultant at 25,000 a month and the relationship

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2 flourished."

3 Do you see that?

4 A Yes.

5 Q Does the fact that Epstein used to work
6 for a company that is now known to be one of the
7 largest Ponzi schemes in history, would that be
8 relevant information for Know Your Customer?

9 MR. BUTTS: Objection. Beyond the
10 scope.

11 You may answer as a 30(b)(1)
12 witness, if you -- if you have a view.

13 A In the spirit of searching for negative
14 media specific to financial crimes, the answer
15 would be yes.

16 BY MS. BOGGS:

17 Q Would prior employment for a Ponzi
18 scheme make a consumer higher risk?

19 MR. BUTTS: Same objections and
20 limitation.

21 A I would say yes.

22 MS. BOGGS: I'd like to hand you
23 another document.

24 (Whereupon, Exhibit No. 16, Due
25 Diligence Report, Bates-Stamped